



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First American International Corp.

Person to be contacted regarding this report:	Glenn J. Chang, EVP
CPP Funds Received:	\$17,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	3/13/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	3266302
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	35186
City:	Brooklyn
State:	New York

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	The Bank was active in 2009 and in particular in the last three quarters of the year, in originating 1-4 family residential loans. The Bank was able to originate \$432mm of such loans in the last three quarters of 2009
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<input checked="" type="checkbox"/>	<p>To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).</p>	<p>In 2009, the predominant type of lending done was in 1-4 family residential mortgage loans as noted above</p>
<input checked="" type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	<p>The Bank was able to increase its holdings and purchases of investment securities. At March 31, 2009, FAIB held \$17.0mm of investment securities. During the rest of the year approximately \$18.9mm of corporate rated securities and private label mortgage backed securities were purchased</p>
<input type="checkbox"/>	<p>Make other investments</p>	
<input type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	

<input checked="" type="checkbox"/>	Reduce borrowings	The Bank was able to reduce its borrowings from the FHLB NY from \$26.75mm to \$21.35mm, a decrease of \$5.4mm. This decrease based on scheduled maturities was not replaced with other borrowings since Tarp funds were available
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The increase in common equity from retained earnings, and the substantial increase in preferred equity from TARP CPP funding, permitted the Bank to increase its capital ratios during 2009. The total capital ratio increased to 12.71% from 9.24% as an example.

What actions were you able to avoid because of the capital infusion of CPP funds?

If the TARP CPP issuance was not consummated, the Bank's capital position would have been less than well capitalized as measured by the Total Capital Ratio. Had this been the case during all of 2009, more severe balance sheet reductions would have been necessary within the loan portfolio without regard to economics. This type of action was avoidable in 2009 because we had the TARP CPP capital infusion. We have also been able to avoid having to deny loan extensions during 2009 on revolving credit and construction/development loans. Our normal credit decision process has remained in place because of our adequate liquidity and well capitalized capital ratios status. Very severe actions to reduce the Bank's deposit base and branch structure were avoidable as well since the capital provided by the TARP CPP program enabled normal funding and business decisions to prevail during 2009.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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